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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268

DSCF STANDARD MAIL LOAD LEVELING	Docket No. N2014-1

SUPPLEMENTAL REPLY BRIEF OF THE UNITED STATES POSTAL SERVICE IN RESPONSE TO THE REPLY AND SUPPLEMENTAL BRIEF OF THE PUBLIC REPRESENTATIVE
(March 6, 2014)

I. INTRODUCTION

The United States Postal Service (Postal Service) hereby submits this supplemental brief in response to chapter III of the Reply and Supplemental Brief of the Public Representative filed on February 27, 2014.[1]

II. THE PUBLIC REPRESENTATIVE'S SUPPLEMENTAL ANALYSIS IS SERIOUSLY FLAWED

In chapter III of its Reply Brief, the Public Representative offers argument in the form of a summary analysis of data generated by the Capital District Load Leveling Operations Test data filed in USPS Library References N2012-1/NP8 and N2012-1/NP9 on February 19 and 21, 2014, respectively. As demonstrated below, the Public Representative's arguments are undermined by fundamental flaws in its underlying analysis.

A. The Public Representative's Supplemental Analysis Regarding Delivered Volume Is Seriously Flawed.

The analysis of delivered volume performed by the Public Representative is seriously flawed. The analysis violates basic rules of statistical analysis by

[1] Reply and Supplemental Brief of the Public Representative (PR Reply Brief), PRC Docket No. N2014-1 (Feb. 27, 2014) at 28.

combining dissimilar distributions and attempting to produce averages from the data provided in USPS Library References N2012-1/NP8 and N2012-1/NP9. The time period provided for the baseline in these library references (October 1 – November 22, 2013) contained two holiday weeks (Columbus Day and Veterans Day), as well as an incomplete week (October 1 – 4, 2013). While the Public Representative's analysis in chapter II of its Reply Brief correctly excludes the incomplete week, it incorporates data from the two above-referenced weeks that included Monday holidays. Thus, the resulting analysis by the Public Representative includes five Mondays for the data period compared to seven of each of the remaining delivery days. The significance of this error is further compounded by the fact that a significant portion of DSCF Standard Mail with a "delivery by Monday" expectation is delivered on Saturday (Monday holiday or no Monday holiday), leaving the remainder for delivery on the Tuesday following any Monday holiday. *See* Tr. Vol. 1 at 91. This is why holiday weeks and other dissimilar periods, such as the Christmas mailing season, are specifically excluded from the analysis, as indicated in the *Notes* tab of USPS Library References N2014-1/NP8.

To illustrate the major flaw in the Public Representative's analysis, the Postal Service has created baseline data charts showing the weekday distributions for the weeks included in the analysis at pages 7-15 of the Public Representative's Reply Brief. The data are taken from the USPS Library Reference N2014-1/NP8 Southern Maryland and Curseen-Morris Function 2 data spreadsheets used by the Public Representative. The first row shows the

distribution for the non-holiday weeks, the second row shows the holiday weeks, and the final row shows the effect of combining all seven weeks together as was done by the Public Representative.[2]

Baseline Period Average Daily Volume Delivered Per Week

Curseen-Morris						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	16.01%	22.78%	14.56%	13.51%	17.12%	16.02%
Holiday	19.11%	0.00%	30.83%	14.92%	17.10%	18.04%
Combined	15.84%	21.58%	17.92%	13.05%	16.06%	15.56%

Southern Maryland						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	16.30%	19.84%	14.45%	16.21%	16.58%	16.62%
Holiday	18.70%	0.00%	25.57%	19.00%	18.92%	17.80%
Combined	16.04%	19.07%	16.54%	16.05%	16.29%	16.02%

As can be readily seen, the holiday weeks show the volume shifts described in the preceding paragraph. When combined with non-holiday weeks, the result is a lowering of the percentage of mail delivered on Monday and an increase in the percentage delivered on Tuesday.

In analyzing the data from the test weeks (January 4 – 31, 2014), the Public Representative makes the same mistake. Included in the time period were three normal weeks and one week (January 18 - 24, 2014) with a Monday holiday (Dr. Martin Luther King, Jr. Day). As can be seen from the tables below, the Public Representative's inclusion of the holiday week in the analysis had a similar effect of shifting volume across the weekdays.

[2] Note that the percentages in the final row are based on the average weekday volume as computed by the Public Representative and are not based upon the total volume for the period.

Operations Test Average Daily Volume Delivered Per Week

Curseen-Morris						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	14.89%	22.00%	14.82%	15.09%	16.10%	17.11%
Holiday	14.77%	0.00%	25.32%	11.27%	14.46%	18.12%
Combined	14.65%	21.24%	21.48%	17.95%	24.29%	24.51%

Southern Maryland						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	15.08%	19.80%	15.20%	16.26%	18.14%	15.52%
Holiday	16.89%	0.00%	25.54%	11.97%	18.39%	16.26%
Combined	15.17%	19.52%	17.31%	14.87%	17.78%	15.34%

A final point to remember about the Capital District Operations Test data is that the baseline period contained two holiday weeks out of the total of seven weeks of data–28 percent of the baseline period was affected by a Monday holiday. The test period contained one holiday week out of the total of four weeks reported in USPS Library References N2014-1/NP8 and NP9–25 percent. This resulted in differing impacts to the two (baseline vs. test) data sets, further rendering their comparison untenable.

A more fair comparison of the baseline and test data sets results from an examination of the averages from the non-holiday weeks within each period. As can be seen in the following charts, both Capital District sites show decreases in the percentage of mail delivered on Mondays and an increase in the percentage delivered on Tuesdays. While these shifts are not as significant as those experienced in the South Jersey Operations Test, they still show the expected results from Load Leveling. Their variance from each other and from South Jersey supports the assertion of the Postal Service that results will vary by delivery area.

Average Mail Delivered by Weekday Using Standardized Data Sets

Curseen-Morris						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Baseline	16.01%	22.78%	14.56%	13.51%	17.12%	16.02%
Test	14.89%	22.00%	14.82%	15.09%	16.10%	17.11%

Southern Maryland						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Baseline	16.30%	19.84%	14.45%	16.21%	16.58%	16.62%
Test	15.08%	19.80%	15.20%	16.26%	18.14%	15.52%

B. The Justification For Load Leveling Is Not Diminished By The Public Representative's Street Time Productivity Analysis.

At pages 15-27 of its Reply Brief, by equating the actual hours used on the street (street time) to the shift in volume being delivered, the Public Representative examines of Load Leveling by attempting to analyze "Street Time Productivity." The Public Representative's analysis, however, does not contradict the very clear evidence that load leveling which shifts Monday volume to Tuesday will significantly reduce Monday delivery workhours (especially overtime). Workhours used to deliver mail are not as responsive to shifts in volume as carrier in-office time. Instead, street time workhours are strongly linked to the fixity of the delivery network and more closely associated with the number of delivery points receiving mail and the mode of delivery used. Whether delivering one or three pieces of mail per stop, a carrier must go to each stop receiving mail. This accounts for part of the "increase" in productivity seen when volumes increase and the "decrease" in productivity seen when volumes decrease.

As demonstrated above, in chapter II, section A of its Reply Brief, the Public Representative makes the mistake of including holiday weeks in its

analysis for both the baseline and test data. As shown below, this has skewed the analysis by increasing the volume delivered per street hour on Tuesday due to the holiday volume shifts. The charts below are produced using the same Function 2 data as the Public Representative and reflect the calculation of total delivered volume divided by the street hours.

Baseline Period Volume Delivered Per Street Hour

Curseen-Morris						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	364	439	313	287	359	339
Holiday	429	0	523	310	341	366
Combined	383	439	382	294	354	346

Southern Maryland						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	437	498	370	414	420	424
Holiday	481	0	569	453	444	425
Combined	450	498	431	425	427	424

Operations Test Period Volume Delivered Per Street Hour

Curseen-Morris						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	320	409	297	305	322	343
Holiday	326	0	479	220	283	359
Combined	322	409	345	283	312	347

Southern Maryland						
Weekday	**Sat**	**Mon**	**Tue**	**Wed**	**Thu**	**Fri**
Non-Holiday	383	489	376	398	444	388
Holiday	419	0	581	277	431	384
Combined	393	489	429	367	441	387

The impact of Load Leveling on this metric would be to reduce the variation of this metric across the weekdays. To measure the variation, one would examine the standard deviation of the data to compute the dispersion of the data from the average. A large standard deviation would indicate a high degree of variation

from the average while a lower standard deviation would indicate a tighter grouping of the data. Since the objective of load leveling is to produce a more even distribution of mail across the weekdays, one would look for a reduction of the value during the test period when compared to the baseline. The following charts show the baseline versus test period weekday standard deviation, excluding holiday weeks, average daily street hours, and volume delivered.

Comparison of Variation in Street Metrics

Curseen-Morris			
Weekday	**Std Dev**	**Avg Dly Street Hrs**	**Avg Dly Delv Vol**
Baseline	52.42	3,519.45	1,237,685
Test	40.31	3,543.08	1,183,692

Southern Maryland			
Weekday	**Std Dev**	**Avg Dly Street Hrs**	**Avg Dly Delv Vol**
Baseline	41.29	3,376.18	1,442,780
Test	44.42	3,415.72	1,411,666

As can be seen in the charts above, the variation in the volume delivered per street hour in delivery offices under the Curseen-Morris facility was reduced significantly while the variation in those offices under the Southern Maryland facility increased slightly. In both cases, the average daily street hours used remained relatively unchanged, while the volume decreased. As for the impact on January 2014 work hours for the Southern Maryland and Curseen-Morris tests, more analysis would need to be undertaken than is reflected in the Docket No. N2014-1 record to determine whether exogenous factors (such as adverse winter weather affecting postal operations) have played a role. As a result, it is unrealistic to assume that Load Leveling is the sole reason, or a reason at all, for the increases in workhours experienced. In any event, as explained by witness

Malone (Tr. Vol. 1 at 36), the purpose of additional testing is to develop implementation strategies that maximize the intended effects of the Load Leveling Plan.

III. THE EXTENT OF THE PROBLEM OF CARRIERS OUT PAST 1700 ON MONDAYS REMAINS SIGNIFICANT

At pages 34-36 of its Reply Brief, the Public Representative responds to witness Malone's testimony (USPS-T-11, at 16-18) regarding the percentage of city carriers who return from delivery after 1700 hours. In the course of discussing the magnitude of carrier overtime and how Load Leveling can alleviate it, witness Malone inadvertently characterized the data as indicating that 54 percent of *all* such instances occur on Mondays.[3] The Pubic Representative's Reply Brief clarifies that the fiscal year 2013 data actually show that 54 percent of carriers return after 1700 hours *on Mondays*. Notwithstanding this clarification, the data referenced in Table 7 on page 17 of USPS-T-1 demonstrate that Load Leveling creates an opportunity to reduce the relatively high percentage of carriers delivering after 1700 hours on Mondays and the associated service issues discussed at pages 17-18 of USPS-T-1.

IV. CONCLUSION

For the foregoing reasons, the above-referenced arguments in the Reply Brief of the Public Representative do not merit consideration by the Commission. Accordingly, the Postal Service respectfully requests that the Commission issue

[3] *See*, USPS-T-1 at 17 and USPS Library Reference N2014-1/14/6, file 1-10-14, slide 8.

an opinion that advises that the service changes under review are consistent with the policies of title 39.

Respectfully submitted,

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